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# The President's Daily Brief

*March 15, 1974*

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# THE PRESIDENT'S DAILY BRIEF

March 15, 1974

## PRINCIPAL DEVELOPMENTS

The Portuguese Government's dismissal yesterday of two senior military officers is a victory for right-wing forces who oppose greater autonomy for Portugal's overseas territories. *(Page 1)*

Iran apparently plans to slow the rate of increase in its petroleum production in order to stretch out its oil reserves. *(Page 2)*

Peking appears to be scaling down the level of its support to the Burmese Communist Party insurgency in northeast Burma. *(Page 3)*

PLO leaders have postponed adopting a formal position on their role in future negotiations until they see whether progress is made toward disengagement between Syria and Israel. *(Page 4)*

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[redacted] Greece

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[redacted] *(Page 5)*

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Notes on USSR-France, Israel-Egypt, [redacted] appear on *Page 6*.

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# PORTUGAL

The Portuguese Government yesterday dismissed armed forces Chief of Staff Costa Gomes and his deputy, General Spinola. The action is a victory for right-wing forces who oppose Spinola's advocacy of greater autonomy for Portugal's overseas territories.

The dismissals are certain to send further shock waves through the Portuguese hierarchy, which includes many Spinola supporters. Doubtless in anticipation of this, the government announced that it would reimpose the state of alert that confined troops to barracks for four days this week.

The discharges may also cause rumblings in the overseas territories.

Most civilian and military leaders there will be glad that Spinola's ideas about self-determination have been rejected. [redacted] 25X1

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Costa Gomes may be replaced by General Joaquim Luz Cunha, a rightist who has commanded Portuguese forces in Angola since 1972. [redacted] 25X1

No replacement for Spinola has been announced so far.

Over the last week the government quietly posted Spinola sympathizers in the military as far away from Lisbon as possible. The US Consulate in the Azores yesterday reported a rumor that 48 more officers would soon arrive in the islands. Some junior officers, who presumably supported a change in overseas policy, were transferred to the Azores earlier in the week.





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# IRAN

Iran apparently plans to slow the rate of increase in its petroleum production. The Iranians' objective is to stretch out the country's reserves, which otherwise will be depleted more rapidly than Iranian oil officials had anticipated. Iran has plans for several refineries and petrochemical plants, and it presumably wants to be sure that sufficient domestic oil will be available for the life of these projects.

The new production plan will be prepared by the consortium of Western oil companies at the direction of the National Iranian Oil Company. The Iranians have asked Western oil representatives to calculate the new program conservatively, on the basis of known reserves only, and to plan peak production at a level that can be sustained for at least eight years.

Although the new program probably will not affect production this year, an oil company official expects that the new directive could lead to a new consortium production goal as low as 6.5 million barrels per day, some 14 percent below the earlier plan. The Iranians are in a better position to do this because of the recent rapid price increases. The government will receive in the next three to five years more revenue than the Iranian economy can absorb effectively.

The Saudis, however, are capable of increasing production to offset the Iranian shortfall, if they wish to do so.





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## CHINA-BURMA

Peking appears to be scaling down the level of its support to the Burmese Communist Party insurgency in northeast Burma. [redacted] 25X1 25X1

Although the extent of the troop reduction is not clear, it is likely that certain Chinese personnel will remain in Burma. Individual PLA officers and men have served with the insurgent forces, many in command positions, since 1969. No regular PLA units are known to have crossed the border, however.

Supplies shipped from China to the insurgents are also affected. [redacted] 25X1 25X1

The reduction of Peking's involvement in the Burmese insurgency coincides with apparent attempts to improve state-to-state relations between China and Burma.

China probably will not altogether abandon the insurgency in Burma. On the other hand, the reduction of its role now could assist Peking in its continuing efforts to improve official state relations with Burma and other Southeast Asian countries, a priority Chinese foreign policy objective.





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## FEDAYEEN

Leaders of the Palestine Liberation Organization have decided to postpone adopting a formal position on their role in future negotiations. They want to await progress toward military disengagement between Syria and Israel. The decision is a victory for Syria's President Asad, who believes that uncertainty over the Palestinians' position and the appearance of Syrian ability to influence that position increase his leverage in negotiations with Tel Aviv.

PLO Chairman Arafat, on the other hand, must be disappointed at the development. He has been among those generally approving the creation, through negotiation, of a truncated Palestinian state. Three of the PLO's five fedayeen groups favor this strategy, but Syrian objections to fedayeen acceptance at this time left Arafat unable to force its adoption.

Arafat remains determined to participate eventually in the negotiations at Geneva. The Syrians maintain that once Damascus has decided to attend, the Palestinians should participate.

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## GREECE

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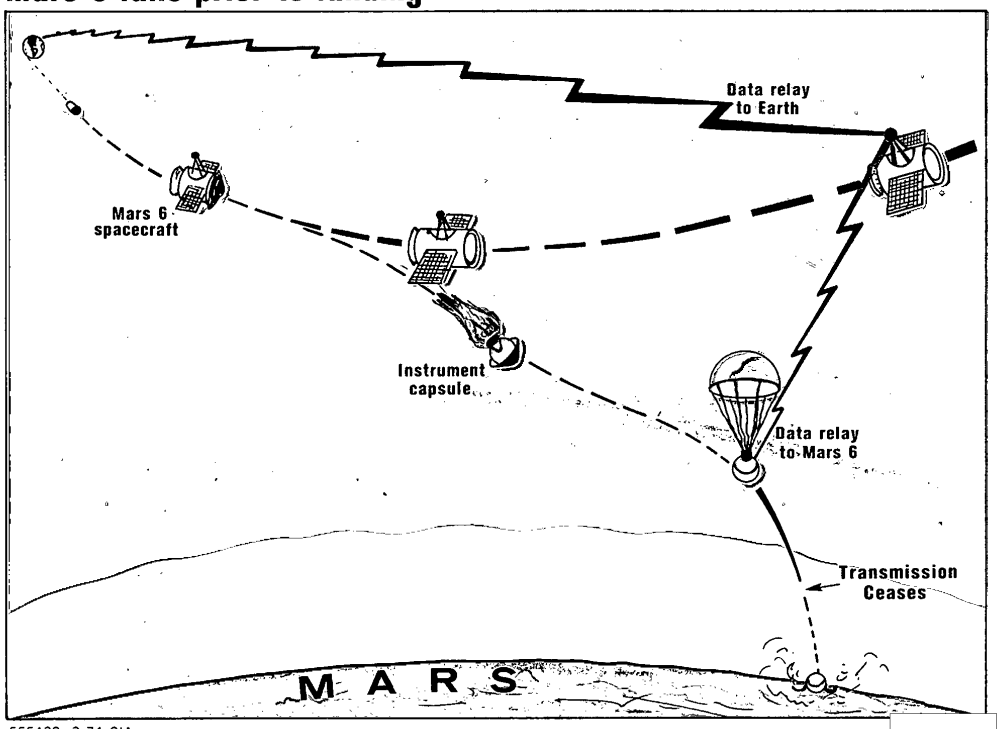
## Mars 6 fails prior to landing

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# NOTES

USSR: Radio contact with the instrument capsule released from Mars 6 broke off just before it reached the planet's surface, according to a Tass announcement. The capsule from the last of four Soviet probes to reach Mars transmitted data during its descent on March 17, however. A malfunction had also prevented Mars 7, which passed by the planet three days earlier, from successfully landing a capsule. Tass, which rarely admitted past failures in the Soviet space program, has been unusually frank in discussing the problems encountered by the latest series of Mars probes.

USSR-France: Brezhnev and Pompidou have both praised the results of Pompidou's 24-hour visit to the USSR, but the description of the talks as "frank" and "realistic" suggests that significant differences remain. The European security talks at Geneva figured prominently among the wide variety of international and bilateral topics discussed. Pompidou supported Brezhnev's call for a rapid conclusion to the security conference, but he refused to endorse a summit-level meeting of the conference unless one were justified by prior progress. This statement must be a painful rebuff for Brezhnev, who has put great personal store in the conference and its grand finale.

Israel-Egypt: [redacted] 25X1

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